

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STOCKH 01759 01 OF 06 040810Z  
ACTION MMO-02

INFO OCT-01 EUR-12 ISO-00 A-01 PER-01 OES-07 SS-15  
SP-02 NSC-05 ABF-01 /047 W  
-----015814 040819Z /21

R 040745Z MAY 78  
FM AMEMBASSY STOCKHOLM  
TO SECSTATE WASHDC 3722

LIMITED OFFICIAL USE SECTION 1 OF 6 STOCKHOLM 1759

E.O. 11652: N/A  
TAGS: AFSP, OGEN  
SUBJECT: FY 1980 GOALS/OBJECTIVES AND RESOURCE MANAGEMENT (GORM)  
PROCESS - ZBB DECISION PACKAGES

REF: (A) STATE 63477, (B) STATE 84540

PART I - GENERAL:

1. AS I HAVE STATED IN PREVIOUS MODE MESSAGES, AND OUR RECENT INSPECTION CONFIRMED, THE SIZE OF THE EMBASSY STAFF, BOTH STATE AND OTHER AGENCIES, IS WELL IN LINE WITH THE GOALS I AM DIRECTED TO ACHIEVE. WHILE I AM IN ABSOLUTE SYMPATHY WITH THE PRESIDENT'S GOAL OF SAVING THE TAXPAYER MONEY BY KEEPING PERSONNEL LEVELS TO A MINIMUM, I BELIEVE THAT THE MISSIONS WE ARE TRYING TO ACCOMPLISH IN SWEDEN ARE IMPORTANT ENOUGH TO THE AMERICAN NATIONAL INTEREST TO MAINTAIN OUR STRENGTH AT WHAT IS NECESSARY TO DO THE JOB. THEREFORE, I DO NOT HAVE ANY WHOLESALE CUTS TO PROPOSE, SINCE I BELIEVE THAT WHOLESALE CUTS WOULD HAVE A HARMFUL EFFECT ON OUR MISSIONS.

2. I WISH TO MAKE A PARTICULAR STATEMENT OF SUPPORT FOR THE CONSULATE GENERAL IN GOTEBORG, WHICH HAS ADDED A WHOLE NEW DIMENSION TO THE AMERICAN PRESENCE IN SWEDEN

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STOCKH 01759 01 OF 06 040810Z

SINCE ITS REOPENING IN 1976. IN MY JUDGMENT WE SHOULD DEFINITELY NOT GIVE ANY CONSIDERATION TO DOING AWAY WITH THE CONSULATE GENERAL, AND I BELIEVE THAT THE STAFF THERE IS PROBABLY ALREADY AT THE MINIMUM NECESSARY TO DO THE JOB WELL.

3. A SPECIAL SITUATION EXISTS WITH REGARD TO THIS EM-

BASSY. AS OF THE DATE OF THIS REPORT (APRIL 29), THE SCANDINAVIAN TRADE CENTER IS SLATED TO CLOSE, FOR LACK OF FUNDS, AND THIS WOULD OF COURSE ELIMINATE ANY DEPARTMENT OF COMMERCE PRESENCE IN SWEDEN. MY OWN POSITION HAS BEEN THAT THE TRADE CENTER IS DOING A WORTHWHILE, COST-EFFECTIVE JOB FOR THE US TAXPAYER, AND I HOPE THAT THE DECISION TO CLOSE THE CENTER WILL YET BE REVERSED. HOWEVER, WE ARE UNDER INSTRUCTIONS TO CLOSE THE CENTER, AND THIS REPORT IS PREDICATED ON THOSE INSTRUCTIONS. SHOULD THAT CHANGE, THEN STATE AND COMMERCE STAFFING LEVELS AT THE TRADE CENTER WILL NEED TO BE REEXAMINED.

PART I - SCHEDULES (DECISION PACKAGES)

1. FORM ZBB-1:

(A) TOTAL U.S. PERSONNEL - 31 (NOTE: EMBASSY BELIEVES THAT STATE 84540 DOES NOT REFLECT THE STATE 86603 WHICH REDUCED STATE AMERICAN COMPLEMENT FROM 32 TO 31) POSITIONS.

(B) TOTAL FSL - PRESENT LEVEL 52, PROJECTED FY 1980 LEVEL 51 (STATE 84540).

(C) TOTAL CURRENT STATE PERSONNEL RESOURCES AT THE MISSION - 83. TOTAL PROJECTED FY 1980 PERSONNEL RESOURCES LEVEL - 82.

(1) PACKAGE I (82 X 90 PERCENT) EQUALS 74.

(2) PACKAGE II (82 X 5 PERCENT) EQUALS 4.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STOCKH 01759 01 OF 06 040810Z

(3) PACKAGE III (82 X 5 PERCENT) EQUALS 4.

2. FORM ZBB-2: FY 1980 PERSONNEL RESOURCES WORKSHEET.

(A) FY 1978  
FUNCTION AMERICAN AMERICAN FSL  
OFFICERS STAFF  
EXECUTIVE 3 2 1  
POL/LABOR 3 1 2  
E/C 7 1 13  
CONS 4 10  
ADMIN 4 5 25  
SCIENCE 1 1  
TOTAL, THIS PACKAGE 22 9 52  
CUM TOTAL 22 9 52

(B) PACKAGE I

FUNCTION AMERICAN AMERICAN FSL  
OFFICERS STAFF  
EXECUTIVE 3 2 1  
POL/LABOR 3 1 2

E/C	5	1	9
CONS	4		10
ADMIN	4	4	23
SCIENCE	1		1
TOTAL, THIS PACKAGE	20	8	46 (1)
CUM TOTAL	20	8	46 (1)

(1)

(1) THE REDUCTION OF 6 FSL'S BETWEEN FY 1979 AND FY 1980 INCLUDES 1 FSL POSITION WHICH, WHILE OUTSIDE OF ABB PACKAGE (SEE STATE 84540), SHOULD BE INCLUDED IN THE ABOVE TABLE IN ORDER TO PROJECT THE ANTICIPATED FY 1980 STAFFING LEVEL.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STOCKH 01759 01 OF 06 040810Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 STOCKH 01759 02 OF 06 040830Z  
ACTION MMO-02

INFO OCT-01 EUR-12 ISO-00 A-01 PER-01 OES-07 SS-15  
SP-02 NSC-05 ABF-01 /047 W  
-----015967 040859Z /21  
R 040745Z MAY 78  
FM AMEMBASSY STOCKHOLM  
TO SECSTATE WASHDC 3723

LIMITED OFFICIAL USE SECTION 2 OF 6 STOCKHOLM 1759

(C) PACKAGE II

FUNCTION AMERICAN AMERICAN FSL  
OFFICERS STAFF

EXECUTIVE  
POL/LABOR

E/C 1 1

CONS			
ADMIN	1	1	
SCIENCE			
TOTAL, THIS PACKAGE	1	1	2
CUM TOTAL	21	9	48

(D) PACKAGE III

FUNCTION	AMERICAN	AMERICAN	FSL
OFFICERS	STAFF		

EXECUTIVE			
POL/LABOR			
E/C	1	3	
CONS			
ADMIN			
LIMITED OFFICIAL USE			
LIMITED OFFICIAL USE			

PAGE 02 STOCKH 01759 02 OF 06 040830Z

SCIENCE			
TOTAL, THIS PACKAGE	1	3	
CUM TOTAL	22	9	51

3. FORM ZZB-3:

(A) DECISION UNIT NAME: SWEDEN  
(B) PACKAGE 1 OF 3  
(C) ACTIVITY DESCRIPTION:  
(1) IN SELECTING THE 90 PERCENT LEVEL TOF  
CURRENT STAFFING FOR PACKAGE I PER ZBB INSTRUCTIONS, I  
WISH TO REEMPHASIZE THAT FURTHER STATE PERSONNEL REDUC-  
TIONS QUICKLY CUT INTO THE MUSCLE OF THIS EMBASSY.  
STATE IS LEANLY STAFFED, AND ANY REDUCTION OF STAFFING  
OF THIS MAGNITUDE INEVITABLY MEANS THAT THE EMBASSY WILL  
NOT BE ABLE TO MEET SOME OF ITS ESSENTIAL GOALS AND OB-  
JECTIVES. PREVIOUS STAFF REDUCTIONS ALREADY HAVE BEEN  
ABSORBED BY THIS EMBASSY'S EXECUTIVE, POLITICAL, ECONOM-  
IC, ADMINISTRATIVE, CONSULAR AND SCIENCE SECTIONS OVER  
THE PAST FOUR YEARS. THEREFORE, IN PACKAGE I OF THE  
ZBB, THE MAJOR PORTION OF MY PROJECTED REDUCTION IN  
STAFFING IS ABSORBED BY THE COMMERCIAL SECTION ON THE  
PREMISE THAT THE SCANDINAVIAN TRADE CENTER WILL BE CLOSING  
AS ANNOUNCED IN STATE 28043. (ADDITIONAL REMARKS  
REGARDING THE TRADE CENTER'S ANTICIPATED CLOSURE, AND  
ITS IMPACT ON THE DEPARTMENT OF COMMERCE'S REPRESENTATION  
ARE IN PART II OF THIS CABLE.) THERE WOULD ALSO  
HAVE TO BE A FURTHER REDUCTION IN THE ADMINISTRATIVE  
STAFF WITH A RESULTANT DECREASE IN ITS ACTIVITIES. A  
BRIEF SUMMARY BY SECTION FOLLOWS.  
(2) WITH NO CHANGE IN STAFFING LEVEL, THE  
EXECUTIVE STAFF OF 6 (3 OFFICERS, 2 STAFF AND 1 FSL)  
COULD CONTINUE TO CONDUCT POLICY FORMULATION AND MANAGE-

MENT GUIDANCE FOR ALL ELEMENTS OF THE MISSION AND FUL-  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STOCKH 01759 02 OF 06 040830Z

FILL ESSENTIAL PROTOCOL AND FORMAL REPRESENTATION FUNC-  
TIONS IN SUPPORT OF THE EMBASSY'S GOALS AND OBJECTIVES  
AS ENUMERATED IN 77 STATE 295529 AND STOCKHOLM 124.

(3) THE POLITICAL/LABOR STAFF OF 6 (3 OF-  
FICERS, 1 STAFF AND 2 FSL'S) WOULD REMAIN UNCHANGED AND  
COULD CONTINUE ITS MINITORING AND REPORTING TO WASHINGTON  
AND THE FIELD ON IMPORTANT DEVELOPMENTS IN SWEDISH  
FOREIGN POLICY AND THE DOMESTIC POLITICAL SITUATION  
WHICH AFFECT U.S. INTERESTS. THE SECTION WOULD ALSO  
CONTINUE TO FULFILL ITS MAJOR ROLE IN POLICY  
FORMULATION AND IMPLEMENTATION, AS WELL AS FOLLOWING  
THROUGH ON ITS TIGHTLY FOCUSED REPRESENTATION PROGRAM.  
THE SECTION'S EXTRADITION AND PROTOCOL RESPONSIBILITIES  
WOULD STILL BE MET, ALONG WITH ITS BIOGRAPHIC REPORTING  
PROGRAM. THE BULK OF TWO MAN-YEARS WILL BE DEVOTED TO  
MONITORING AND REPORTING LABOR MARKET DEVELOPMENTS IN  
SWEDEN WHERE MANY ASPECTS OF THE INNOVATIVE SWEDISH WEL-  
FARE SYSTEMS ARE CONSIDERED IMPORTANT TO AND SOMETIMES  
MODELS FOR U.S. LEGISLATION. THE LABOR ATTACHE AND  
SOCIAL WELFARE ATTACHE IS ALSO THE EMBASSY'S NARCOTICS  
COORDINATOR AND CONTACT POINT FOR DEA OFFICIALS ASSIGNED  
TO COPENHAGEN. AS SWEDEN IS SUFFERING AN INCREASINGLY  
SERIOUS NARCOTICS ABUSE PROBLEM, THIS SUPPLEMENTAL AS-  
SIGNMENT TAKES ON INCREASING IMPORTANCE.

(4) AS PROJECTED, THE ECONOMIC OFFICE  
STAFFING WOULD REMAIN UNCHANGED WITH THE COMMERCIAL UNIT  
OF THE E/C SECTION ABSORBING A REDUCTION OF 2 OFFICERS  
AND 4 FSL'S AS A RESULT OF THE TRADE CENTER CLOSING.  
WITHOUT THE TRADE CENTER, US TRADE PROMITION ACTIVITIES  
IN SWEDEN WILL DROP SHARPLY AS WILL, IN MY OPINION, THE  
INTRODUCTION OF NEW PRODUCTS AND COMPANIES TO SCANDI-  
NAVIA. A SMALL COMMERCIAL SECTION OF 2 AMERICAN OFFIC-  
ERS AND 5 FSL'S IN STOCKHOLM PLUS 1 FSL IN GOTEBORG WILL  
REMAIN AND WOULD RECEIVE A PORTION OF THE ECONOMIC OF-  
FICER'S TIME IN SUPPORT OF ITS ACTIVITIES. HOWEVER, THE  
GOAL OF A CONTINUED STRONG U.S. EXPORT PROGRAM IS NOT  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STOCKH 01759 02 OF 06 040830Z

LIKELY TO BE ACHIEVED WITH THE DRASTIC CURTAILMENT OF  
TRADE PROMOTION ACTIVITIES. THE ECONOMIC OFFICE OF 3  
AMERICAN OFFICERS, 1 AMERICAN STAFF AND 3 FSL'S WOULD  
CONTINUE TO REPORT (ALBEIT ON A SLIGHTLY REDUCED LEVEL)  
IMPORTANT LOCAL DEVELOPMENTS IN THE ECONOMIC FIELD TO

THE DEPARTMENT OF STATE AND THROUGH IT TO OTHER INTERESTED U.S. GOVERNMENT AGENCIES. THE SECTION WOULD ALSO CONTINUE TO MAINTAIN ITS APPROPRIATE CONTACTS WITH SWEDISH OFFICIALS WITH REGARDS TO BILATERAL AND MULTILATERAL QUESTIONS OF INTEREST TO BOTH GOVERNMENTS, AND COULD MINIMALLY FULFILL ITS SUPPORTIVE ROLE TOWARDS THE ACHIEVEMENT OF THE EMBASSY' S GOALS I AND II (77 STATE 295529).

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 STOCKH 01759 03 OF 06 040838Z

ACTION MMO-02

INFO OCT-01 EUR-12 ISO-00 A-01 PER-01 OES-07 SS-15

SP-02 NSC-05 ABF-01 /047 W

-----016023 040900Z /21

R 040745Z MAY 78

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 3724

LIMITED OFFICIAL USE SECTION 3 OF 6 STOCKHOLM 1759

(5) THE CONSULAR SECTION WOULD REMAIN AT ITS PRESENT LEVEL OF 4 AMERICAN OFFICERS AND 10 FSL'S (INCLUDING 1 OFFICER AND 2 FSL'S IN GOTEBORG). AT THIS LEVEL THE CONSULAR SECTION COULD MEET ITS WORKLOAD WHICH INCLUDES ISSUING ANNUALLY APPROXIMATELY 60,000 NON-IMMIGRANT AND 300 IMMIGRANT VISAS, PLUS AN ESTIMATED 1,600 PASSPORTS. THE SECTION COULD ALSO MEET ITS BASIC STATUTORY SERVICE REQUIREMENTS INCLUDING CITIZENSHIP SERVICES AND THE PROCESSING OF SOCIAL SECURITY AND VETERANS CLAIMS.

(6) MY REDUCTION IN THE ADMINISTRATIVE SECTION WOULD CALL FOR THE ELIMINATION OF THE AMERICAN SECURITY SECRETARY POSITION AND ONE FSL POSITION FROM THE GENERAL SERVICES MAINTENANCE STAFF. (WITH THE BUREAU'S ASSESSED FSL REDUCTION OF ONE FSL POSITION IN FY 1980 PER STATE 84540, IN REALITY, THIS WOULD MEAN AN ACTUAL REDUCTION OF 2 FSL POSITIONS IN ADMIN.) MOST KEY ADMINISTRATIVE SERVICES COULD STILL BE PROVIDED BY THE REMAINING STAFF OF 8 AMERICANS AND 23 LOCALS. ALTERNATELY AN AMERICAN COMMUNICATOR POSITION COULD BE SUBSTITUTED FOR THE SECURITY SECRETARY POSITION IF SUFFICIENT

TAPE PUNCH UNITS AND TRAINING COULD BE PROVIDED SO THAT SECRETARIES, WHEN TYPING CABLES, WOULD ALSO PREPARE MOST OF THE OUTGOING CABLE TAPES AND THEREBY ELIMINATE THE DUPLICATION OF CRU RETYPING CABLES. HOWEVER, IF A LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STOCKH 01759 03 OF 06 040838Z

CRU POSITION WERE ABOLISHED, A NEED FOR TDY ASSISTANCE WOULD OCCUR WHENEVER THERE WAS MORE THAN A VERY SHORT ABSENCE OF EITHER OF THE REMAINING TWO MEMBERS OF CRU. NATURALLY, THESE REDUCTIONS WOULD HAVE A NEGATIVE IMPACT ON THE AFFECTED ACTIVITIES. HOWEVER, WHILE IT WOULD NOT BE COST EFFECTIVE (SEE PARA. 6(E) OF THIS CABLE), THE LOST MAINTENANCE SERVICES COULD BE CONTRACTED OUT.

(7) I SEE NO WAY TO REDUCE THE STAFF OF THE OFFICE OF THE SCIENTIFIC ATTACHE BELOW ITS CURRENT LEVEL OF 1 AMERICAN OFFICER AND 1 FSL EMPLOYEE. SWEDEN IS A PARTICULARLY IMPORTANT SCIENTIFIC COUNTRY, AND OUR SCIENTIFIC ATTACH REPORTS ON ALL SIGNIFICANT SCIENTIFIC DEVELOPMENTS IN SWEDEN AND SCANDINAVIA AND IS THE FOCAL POINT FOR THE EXCHANGE OF SCIENTIFIC INFORMATION BETWEEN THE U.S. AND SWEDEN. THIS OFFICE IS ALSO KEPT VERY BUSY LOGISTICALLY SUPPORTING AN ABUDNDANCE OF AMERICAN OFFICIALS (NORMALLY TECHNICAL EXPERTS) VISITING SWEDEN ON OFFICIAL BUSINESS.

(D) RESOURCE REQUIREMENTS:

FY 78    FY 70    FY 1980 (THIS PKG ONLY)

OFFICERS	22	22	20
STAFF	9	9	8
FSL'S	52	52	46 (1)
TOTALS	83	83	74

(1) SEE NOTE FOLLOWING PACKAGE I OF FORM ZBB-2

(E) IMPACT ON CURRENT U.S. POLICY GOALS, OBJECTIVES, AND ESSENTIAL ACTIVITIES:

(1) WITH THE EXCEPTION OF THE CLOSING OF THE TRADE CENTER, THE BASIC STRUCTURES AND TOOLS WITH WHICH THE EMBASSY SUPPORTS GOALS I-III (77 STATE 295529 AND STOCKHOLM 124) WOULD REMAIN INTACT. HOWEVER, AS I HAVE STATED PREVIOUSLY, THE REDUCTION OF 2 FSO POSITIONS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STOCKH 01759 03 OF 06 040838Z

AND 4 FSL POSITIONS IN THE E/C SECTION WOULD ADVERSELY AFFECT OUR SUPPORT OF THE U.S. EXPORT PROGRAM AS DETAILED IN GOAL III. WHILE A REDUCED COMMERCIAL UNIT WOULD REMAIN, THE LOSS OF THE CENTER COULD NOT BE EFFECTIVELY OFFSET AND TRADE PROMOTION ACTIVITIES WOULD BE

SEVERELY CIT. THIS SEEMS TO ME TO BE PARTICULARLY INAPPROPRIATE AT A TIME WITH OUR EXISTING YRADE IMBALANCE PROBLEMS.

(2) THE ADMINISTRATIVE SECTION WOULD LOSE ITS ONLY AMERICAN SECRETARY. SHE IS ASSIGNED TO THE SECURITY OFFICE AND HER LOSS WOULD BE KEENLY FELT. WHILE I WOULD SEE THAT AS MUCH OF HER WORK IS TRANSFERRED TO THE EMBASSY'S WORD PROCESSING CENTER, HER CLASSIFIED WORK WOULD HAVE BE ABSORBED BY AMERICAN SECRETARIES IN OTHER SECTIONS. SINCE THIS POST HAS TNLY THE MINIMAL SECRETARIAL SUPPORT NECESSARY FOR ITS EFFICIENT OPERATION, SUPPORT OF THE SECURITY OFFICE, WHICH SERVES NORWAY AND FINLAND ALSO, WOULD BE REUCED. THE POST'S GENERAL SECURITY PREPAREDNESS WOULD SUFFER AND BACKGROUND INVESTIGATIONS, PLANNING AND REPORTING WOULD BE ADVERSELY AFFECTED SINCE THE REGIONAL SECURITY OFFICER (RSO'S ABSENCE, THE SECRETARY HANDLES ALL ROUTINE SECURITY MATTERS AND CONTACTS BETWEEN THE REGIONAL OFFICE AND ITS SERVICED POSTS. CTNSIDERING THE EASY ACCESS THAT TERRORIST ORGANIZATIONS HAVE TO SWEDEN, THE LOSS OF THIS POSITION WOULD DISTURB ME GREATLY. I BELIEVE THAT THE LEVEL OF THREAT OF TERRORISM IN SCANDINAVIA JUSTIFIES A NEED FOR A REGIONAL SECURITY OFFICE, THAT STOCKHOLM IS THE LOGICAL AND MOST CENTRAL LOCATION FOR IT, AND IT SHOULD BE SUPPORTED WITH BOTH AN OFFICER AND A SECRETARY/ASSISTANT, AS IT IS NOW.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 STOCKH 01759 04 OF 06 040843Z  
ACTION MMO-02

INFO OCT-01 EUR-12 ISO-00 A-01 PER-01 OES-07 SS-15

SP-02 NSC-05 ABF-01 /047 W

-----016038 040901Z /21

R 040745Z MAY 78

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 3725

LIMITED OFFICIAL USE SECTION 4 OF 6 STOCKHOLM 1759

(3) THE ELIMINATION OF A MAINTENANCE POSITION WOULD PLACE FURTHER STRAIN ON THE GENERAL SERVICES OFFICE WHICH ALREADY IS RESPONSIBLE FOR MAINTAINING THE CHANCERY, AMBASSADOR'S RESIDENCE, DEFENSE ATTACHE'S RES-

IDENCE, AGRICULTURAL ATTACHE'S RESIDENCE, AND 21 STAFF APARTMENTS UTILIZED BY THE VARIOUS AGENCIES REPRESENTED AT POST. THESE PROPERTIES ARE ALL EITHER GOVERNMENT- OWNED OR LONG-TERM LEASED. THE MAINTENANCE STAFF ALSO SUPPORTS THE DCM RESIDENCE AND THE MARINE HOUSE, BOTH OF WHICH ARE GOVERNMENT LEASED. WHILE MORE OF THE MAINTENANCE SECTION'S WORK COULD BE CONTRACTED OUT, THIS WOULD BE VERY COSTLY AND INEFFICIENT, AND DELAYS WOULD BE COMMON AS A RESULT OF THE SHORTAGE OF SKILLED TRADESMEN IN SWEDEN.

4. FORM ZZB-3:

(A) DECISION UNIT: SWEDEN

(B) PACKAGE 2 OF 3

(C) ACTIVITY DESCRIPTION:

(1) AT THIS LEVEL I WOULD RESTORE 2 COMMERCIAL OFFICE POSITIONS (1 AMERICAN OFFICER AND 1 FSL) AND THE 2 POSITIONS PREVIOUSLY WITHDRAWN FROM THE ADMINISTRATIVE SECTION.

(2) AS I HAVE INDICATED, I AM HOPEFUL THAT THE TRADE CENTER WILL REMAIN OPEN. THE TWO REINSTATED COMMERCIAL POSITIONS WOULD RESTORE ABOUT 40 PERCENT OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STOCKH 01759 04 OF 06 040843Z

THE SHOW PROMOTION AND MARKET RESEARCH ACTIVITIES VITALLY NEEDED TO STAGE EXHIBITIONS AT THE CENTER.

(3) THE ADMINISTRATIVE SECTION WOULD BE BACK TO ITS PRESENT STAFFING LEVEL WHICH I CONSIDER TO BE THE MINIMUM NECESSARY FOR ESSENTIAL AND EFFICIENT ADMINISTRATIVE SUPPORT OF THIS MISSION.

(D) RESOURCE REQUIREMENT:

FY 78 FY 79 FY 1980

THIS PKG ONLY CUMULATIVE

US OFFICERS	22	22	1	21
US STAFF	9	9	1	9
FSL'S	52	52	2	48
TOTAL	83	83	4	78

(E) IMPACT ON CURRENT U.S. POLICY GOALS, OBJECTIVES, AND ESSENTIAL ACTIVITIES: A SERIOUS STAFFING SHORTFALL WOULD CONTINUE TO EXIST AT THE TRADE CENTER, SHOULD IT NOT CLOSE.

5. FORM ZZB-3:

(A) DECISION UNIT: SWEDEN

(B) PACKAGE 3 OF 3

(C) ACTIVITY DESCRIPTION:

ALL ACTIVITIES CURRENTLY CONDUCTED BY THE EMBASSY WOULD BE CONTINUED IN SUPPORT OF THE AGREED 3 MAJOR POLICY GOALS AND OBJECTIVES.

(D) RESOURCE REQUIREMENTS:

FY 78 FY 79 FY 1980

THIS PKG ONLY CUMULATIVE

US OFFICERS	22	22	1	22
US STAFF	9	9		9
FSL'S	52	52	3	51
TOTAL	83	83	4	82

(E) IMPACT STATEMENT:

THE STAFFING LEVEL WOULD REMAIN MINIMAL FOR OUR OBJECTIVE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STOCKH 01759 04 OF 06 040843Z

TIVES AND GOALS. IT WOULD BE DIFFICULT FOR THIS MISSION  
TO HANDLE ANY ADDITIONAL WORKLOAD BEYOND A VERY MARGINAL  
INCREASE, HOWEVER, I UNDERSTAND THE FUTILITY OF SEEKING  
ADDITIONAL POSITIONS FOR THE FORESEEABLE FUTURE. THERE-  
FORE, I AM NOT INCLUDING THE OPTIONAL PACKAGE 4.

6. COMMENTS ON STATE PROGRAMS INVOLVING SIGNIFICANT  
NON-SALARY FUNDING:

(A) APPROXIMATELY 95 PERCENT OF THIS MISSION'S  
EXPENSES ARE EITHER FIXED OR SEMI-CONTROLABLE AND DEPEND  
LARGELY ON STAFFING LEVELS. THE REMAINING DISCRETIONARY/  
CONTROLABLE SEGMENT OF OPERATING EXPENSES LIES PRINCIPALLY  
IN SUCH AREAS AS TRAVEL, AND OFFICE FURNITURE AND  
EQUIPMENT.

(B) SPEAKING CANDIDLY, I DON'T FEEL THAT MY OFFICERS  
ARE TRAVELING WITHIN THE COUNTRY AS MUCH AS THEY  
SHOULD. WHILE I INTEND TO ADDRESS MYSELF TO THIS MATTER,  
I REALIZE THAT THEIR EVERYDAY WORKLOAD IS HEAVY AND  
THIS LIMITS THE AMOUNT OF TIME THEY HAVE FREE TO TRAVEL.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 STOCKH 01759 05 OF 06 040856Z  
ACTION MMO-02

INFO OCT-01 EUR-12 ISO-00 A-01 PER-01 OES-07 SS-15  
SP-02 NSC-05 ABF-01 /047 W  
-----016130 040905Z /21

R 040745Z MAY 78  
FM AMEMBASSY STOCKHOLM  
TO SECSTATE WASHDC 3726

LIMITED OFFICIAL USE SECTION 5 OF 6 STOCKHOLM 1759

(C) AS FOR FURNITURE AND EQUIPMENT, I COMMEND THE REPLACEMENT PROGRAM THAT HAS TAKEN PLACE AT THIS EMBASSY OVER THE PAST THREE YEARS. WE HAVE NOW LARGELY COMPLETED REPLACING THE OFFICE FURNITURE ALL OF WHICH WAS OVER 25 YEARS OLD, AND OUR FY 1979 AND FY 1980 SUBMISSIONS REFLECT A LOWER LEVEL OF FUNDING FOR SUCH PURPOSES. HOWEVER, IT IS NECESSARY FOR THE MISSION TO CONTINUE ITS SYSTEMATIC REPLACEMENT PROGRAM FOR OFFICE EQUIPMENT AND SUSTAIN A VERY LIMITED FURNITURE/FURNISHINGS REPLACEMENT PROGRAM INTO THE FORESEEABLE FUTURE.

(D) OVER THE LONGER TERM, I AM CONFIDENT THAT PURCHASING HOUSING FOR THE AMERICAN STAFF WOULD BE ADVANTAGEOUS TO THE USG, HOWEVER, I AM AWARE OF THE FINANCIAL CONSTRAINTS HERE AND THAT IT IS POSSIBLE THAT SUCH PURCHASES MAY BE EVEN MORE COST EFFECTIVE IN SOME OTHER COUNTRIES. HOWEVER, I WOULD NOT WISH TO SEE THIS EMBASSY UNDERTAKE ANY SIGNIFICANT RESIDENTIAL PURCHASING PROGRAM WITHOUT THE NECESSARY PERSONNEL INCREASES IN THE EMBASSY'S MAINTENANCE UNIT.

(E) THIS IS PERHAPS AS GOOD A TIME AS ANY TO MENTION THAT IF COST EFFECTIVENESS IS TO BE ANY MORE THE CATCH PHRASE, THE DEPARTMENT SHOULD NOT REDUCE REGULAR POSITIONS HERE AND SUBSTITUTE THEM WITH NON-PERSONAL SERVICES CONTRACTS. IT SIMPLY ISN'T COST EFFECTIVE AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STOCKH 01759 05 OF 06 040856Z

WE TRY TO KEEP SUCH CONTRACTS TO A MINIMUM. IN SWEDEN, WHICH HAS THE HIGHEST INCOME TAX RATE IN THE WORLD, FSL EMPLOYEES ARE PRESENTLY EXEMPT BY LAW FROM PAYING SWEDISH INCOME TAXES AND THEREFORE OUR FSL EMPLOYEES ARE PAID A NET SALARY RATE. WHILE THIS MATTER WAS REVIEWED RECENTLY BY THE GOS, IT NOW APPEARS THAT THE EXCEPTION WILL CONTINUE FOR MANY YEARS. CONTRACTING SERVICES IS NOT ONLY MORE COSTLY BECAUSE GROSS SALARIES MUST BE PAID BUT BECAUSE OF THE HIGH SOCIAL CONTRIBUTIONS EMPLOYERS MUST PAY AND THE OVERHEAD AND PROFIT MARKUPS THE CONTRACTOR CHARGES. IN OTHER WORDS, CONTRACTING SERVICES WOULD COST WELL OVER DOUBLE THAT OF THE SALARY AND RELATED EXPENSES OF A REGULAR FSL EMPLOYEE. THIS SITUATION MAY BE SOMEWHAT UNIQUE HERE IN SWEDEN BUT IT EFFECTIVELY PRECLUDES THE USE OF NON-PERSONAL SERVICE CONTRACTS FROM A COST EFFECTIVE STANDPOINT.

(F) AS I HAVE MENTIONED PREVIOUSLY, THE PURCHASE OF TAPE PUNCHING UNIT TO BE USED BY SECRETARIES WHEN TYPING CABLES WOULD ONLY MARGINALLY INCREASE THEIR WORKLOAD AND COULD LEAD TO A REDUCTION OF ONE CRU POSITION. THIS PROPOSAL ASSUMES THAT COMPATIBLE EQUIPMENT IS AVAILABLE AND THAT ITS USE COULD BE APPROVED BY SY AND OC OUTSIDE OF THE EMBASSY'S COMMUNICATION CENTER.

THE EMBASSY HAS NOT BEEN ADVISED WHEN IT WILL RECEIVE  
TERP EQUIPMENT.

(G) AS A FINAL COMMENT ON FUNDING LEVELS, I AM  
SURE YOU ARE WELL AWARE OF THE IMPACT OF THE HIGHER  
LEVEL OF INFLATION IN EUROPE AND THE LOWER VALUE OF THE  
DOLLAR. THESE VEXING PROBLEMS HAVE ALREADY EFFECTIVELY  
REDUCED OUR FUNDING LEVELS TO A MINIMUM, WITHOUT ANY  
FORMAL DECREASE IN OUR ALLOTMENT.

PART II - EVALUATION OF GOALS, OBJECTIVES, AND RESOURCE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STOCKH 01759 05 OF 06 040856Z

MANAGEMENT OF ALL AGENCIES WITH PERSONNEL SUBJECT TO  
AMBASSADOR'S SUPERVISION, COORDINATION AND DIRECTION:

1. SINCE COMMERCE IS IN THE SPECIAL SITUATION NOTED  
IN MY INITIAL REMARKS (SEE PARA 3 OF PART-GENERAL),  
THERE ARE ONLY THREE AGENCIES TO COMMENT ON, DEFENSE  
(DAO, INTERNATIONAL COMMUNICATION AGENCY (USICA), AND  
AGRICULTURE (AGATT).

2. THE AGATT OFFICE IS SMALL (ONE US, 3 FSL'S), AND  
COVERS BOTH SWEDEN AND FINLAND. AGATT'S WORK TIES IN  
WITH THE GOALS OF INCREASING US EXPORTS CITED IN PART 2  
(III) OF 77 STATE 295529, AND THE WORK IS USEFUL. IN  
TERMS OF OVERALL MISSION PRIORITIES, HAVING AN AGATT  
RANKS FAIRLY LOW, AND I WOULD HAVE TO LIST THIS OFFICE  
AMONG THE 10 PERCENT EXPENDABLE.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 STOCKH 01759 06 OF 06 040908Z  
ACTION MMO-02

INFO OCT-01 EUR-12 ISO-00 A-01 PER-01 OES-07 SS-15

SP-02 NSC-05 ABF-01 /047 W

-----016209 040920Z /21

R 040745Z MAY 78

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 3727

LIMITED OFFICIAL USE SECTION 6 OF 6 STOCKHOLM 1759

3. DAO'S WORK FITS IN SOLIDLY WITH WHAT I CONSIDER OUR TOP PRIORITIES IN SWEDEN (SEE PARA 2 OF STOCKHOLM 124.) SWEDEN'S ROLE IN NORTHERN FLANK SECURITY IS ALSO STRESSED IN OUR GOALS AND OBJECTIVES STATEMENS (77 STATE 295529), AND CLEARLY DAO PLAYS AN IMPORTANT ROLE HERE. I PERSONALLY DEVOTE A GREAT DEAL OF MY TIME AND ATTENTION TO MILITARY MATTERS, BOTH STRATEGIC AND 'HARDWARE' ISSUES, AND I PLAN TO DO SO INCREASINLGY. THEREFORE, I DEPEND A GREAT DEAL ON MY DEFENSE ATTACHE AND HIS STAFF, AND RANK THE DAO'S WORK AS HIGH ON MY PRIORITY LIST. AT THE SAME TIME, GIVEN THE EXIGENCIES OF PERSONNEL LEVELS, I HAD TO TELL THE DAO RECENTLY THAT I COULD NOT APPROVE A STAFF INCREASE APPROVED EARLIER BY THE EMBASSY, AND DIRECTED INSTEAD THAT AN ENLISTED MAN BE DROPPED FROM THE STAFF IF A NEW RESEARCHER/TRANSLATOR WAS TO BE ADDED. ALONG THE SAME LINE, EVEN THOUGH DAO HAS TAKEN A NUMBER OF PERSONNEL REDUCTIONS IN RECENT YEARS, IF THE EMBASSY WERE FORCED TO SUSTAIN CUTS, I BELIEVE THAT SOME POSITIONS IN DAO COULD BE ABOLISHED WITHOUT HARMING THE OVERALL EFFICIENCY OF THE OPERATION. IF TOALLY NECESSARY, I BELIEVE EITHER THE ASSISTANT AIR OR THE ASSISTANT NAVAL ATTACHE COULD BE DROPPED IF OTHER CUTS WERE IMPERATIVE, AND ONE OR TWO SUPPORT POSITIONS (ENLISTED MEN OR SECRETARIES COULD BE CUT IF NEED BE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STOCKH 01759 06 OF 06 040908Z

4. WITH REGARD TO USICA, ITS WORK IS VERY IMPORTANT TO THE GOALS LISTED IN PART 2 (III) OF 77 STATE 295529, INCLUDING PARTICULARLY CONTACT WITH SWEDISH INTELLECTUALS AND MEDIA FOLK, AS WELL AS YOUTH, AS WELL AS THE ADDED GOAL IN PARA 3 (B) OF STOCKHOLM 124, 'IMPROVE ACCURACY OF SWEDISH PERCEPTION OF US SOCIETY.' I CONSIDER THAT USICA IS DOING A GOOD AND EXTREMELY IMPORTANT JOB IN POST-VIETNAM SWEDISH-AMERICAN RELATIONS, AND I FEEL PARTICULARLY THAT THE WORK WITH THE MEDIA AND IN EXCHANGES IS PAYING VERY IMPORTNAT DIVIDENDS. I BELIEVE THE AMERICAN CENTER IS A HIGHLY USEFUL APPENDAGE TO THE EMBASSY. WITH REGARD TO POSSIBLE CUTS, USICA HAS SUBMITTED ITS OWN ZBB REPORT WITH WHICH I CONCURRED. IF A 10 PERCENT CUT WERE ORDERED, USICA WOULD HAVE TO DROP ONE OF ITS FOUR AMERICAN OFFICERS, AND ELMINATE LOCALLY PRODUCED PUBLICATIONS ENTIRELY. I DO NOT RECOMMEND THIS CUT, BUT I DO BELIEVE THAT USICA COULD STILL DO A GOOD JOB WITH ONLY THREE OFFICERS, AND IF IT WERE IMPERATIVE I BELIEVE USICA COULD CUT TWO FSLE SLOTS WITHOUT HARMING THE PROGRAM SERIOUSLY.

5. CONCLUSION. MAKING A BALANCE-SHEET IS DIFFICULT BECAUSE OF THE PROBLEMATICAL NATURE OF TRADE CENTER CLO-

SURE. WE MUST ASSUME THE CENTER IS CLOSING, BUT OUR HOPE IS THAT IT WILL NOT. IF THE CENTER DOES CLOSE, AS NOW PROJECTED, THEN OUR CUTS IN PERSONNEL UNDER THE ZERO-BASED BUDGETING EXERCISE ARE FAIRLY EVIDENT, AND ARE SET FORTH IN PART I OF THIS REPORT. EVEN SO, IN ORDER TO COMPLY WITH THE AIMS OF THIS EXERCISE, I SHOULD SAY A WORD ABOUT THE RANKING OF ACTIVITIES AMONG THE VARIOUS AGENCIES. IN THIS CONNECTION, I MUST REITERATE THAT THE STATE SLOTS ARE DIFFICULT TO PART WITH (EXCEPT POSSIBLY IN CONNECTION WITH TRADE CENTER CLOSURE). OUTSIDE THE TRADE CENTER, I DO NOT PLACE ANY STATE DEPART- LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STOCKH 01759 06 OF 06 040908Z

MENT SLOT AS MORE EXPENDABLE THAN SLOTS FROM AGATT, DAO OR USICA. IN THE LOWER TEN PERCENT FOR THE EMBASSY AS A WHOLE, WOULD PLACE THE AGATT OFFICE, ONE OFFICER IN USICA WITH CORRESPONDING FSLE POSITIONS, AND ONE OFFICER IN DAO WITH CORRESPONDING SUPPORT POSITIONS.

KENNEDY-MINOTT

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STOCKH01759  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780190-0191  
**Format:** TEL  
**From:** STOCKHOLM  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780591/aaaadaak.tel  
**Line Count:** 733  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 80e9cba3-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION MMO  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 14  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 63477, 78 STATE 84540  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2787984  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FY 1980 GOALS/OBJECTIVES AND RESOURCE MANAGEMENT (GORM) PROCESS - ZBB DECISION PACKAGES  
**TAGS:** AFSP, OGEN  
**To:** STATE  
**Type:** TE  
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/80e9cba3-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014